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SUBJECT: Congressman Arrested for Illicit Investment Scandal

REF: GUATEMALA 759

¶1. On November 26, Former President of Congress Rub????n Dar????o Morales was arrested while attempting to flee from the Congress building. The previous day, the Supreme Court had stripped Morales of his parliamentary immunity for accepting payoffs in return for authorizing illicit investments of public funds while he served as President of Congress. Morales was detained on charges of money laundering, extortion and corruption.

¶2. While serving as President of Congress in 2007, Morales invested Q.16.2 million of congressional funds (about \$2 million) in Mercados de Futuro SA, which paid him a Q.300,000 (about \$37,500) kickback. In 2008, Q.82.8 million (about \$10 million) of congressional funds invested in Mercados de Futuro vanished and a legal prosecution began against those involved.

¶3. Soon after an arrest warrant was issued, friends alerted Morales that police officials were closing in and his arrest was imminent. Morales' hasty exit from Congress was thwarted when he was captured just before departing the building. Attorney General Am????lcar Vel????squez stated that he hoped Morales' high profile arrest "serves as a message for other public officials."

¶4. At the time of Morales' arrest, Ex-Congressional President Eduardo Meyer, who has also been implicated in the scheme, feared for his arrest. Several of his congressional colleagues aided Meyer in his attempt to avoid an arrest by hiding in a restroom. However, while Meyer lost immunity on October 22, 2008 , no arrest warrant had yet been issued. Additional cases still under investigation include Congressmen Anibal Salguero and Paul Gomez, who were both stripped of their parliamentary immunity on November 12, 2009.

¶5. Comment: The high profile arrest of former President of Congress Ruben Dar????o Morales sends a positive message in the efforts against impunity, particularly in a moment in which several public officials face corruption charges.
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